



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

February 6, 2008

Rudy Parker, Treasurer  
Democratic Executive Committee of Florida  
214 South Bronough Street  
Tallahassee, FL 32302

**Response Due Date:**  
**March 10, 2008**

Identification Number: C00005561

Reference: July Monthly Report (6/1/07-6/30/07)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 13 items:

1. The totals listed on Lines 11(a)(i) and 11(a)(ii), Column B of the Detailed Summary Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.
2. Schedule B supporting Line 21(b) of your report discloses \$7,531 in activity identified as MEMO entries that do not appear to correspond with any itemized transaction(s). Please be advised, a memo entry is used to disclose additional information about an itemized transaction and the amount of a memo entry is not included in the total receipts or disbursements for the report. Please amend your report to provide clarifying information regarding this activity.
3. Your May Monthly (4/1/07-4/30/07), June Monthly (5/1/07-5/31/07), and July Monthly (6/1/07-6/30/07) Reports combined do not disclose any payments for salary or wages on Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §100.24 defines as Federal Election Activity, services provided by an employee of a State, district or local party committee who spends more than 25 percent of their time during that

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month on activities in connection with a Federal election. You are advised that payments for salaries and wages for employees who spend more than 25 percent of their compensated time in a given month on Federal Election Activity or activities in connection with a Federal election must be made with Federal funds only. Please provide clarification regarding the lack of payments for salary and wages disclosed by your committee.

4. Schedule H4 discloses a disbursement(s) which is categorized as a fundraising expense(s); however, a Schedule H2 has not been filed to disclose the allocation ratio. All committees are required to allocate the direct costs of each fundraising event in which the committee collects both federal and non-federal funds. The costs are allocated according to the funds received ratio and reported on Schedule H2. 11 CFR §§106.6(d) and 106.7(d)(4). Please file a Schedule H2 to disclose the ratio for the fundraising event(s).

5. Schedule H3 of your report discloses "May Activity" as the name of account(s) for transfers received from an apparent non-federal account for shared activity. Please verify if these transfers were received from a non-federal account of your committee and amend your report with any clarifying information.

6. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Insurance," "Payroll," "Payroll Fees," "Payroll Taxes," and "Salary." Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal election activity (FEA) or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on FEA or activities in connection with a Federal election. If this is not the case, any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding any improper allocation activity, your prompt action will be taken into consideration.

7. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Printing/Graphics." Please be advised that pursuant to 11

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CFR §300.33(c)(1), expenditures for public communications (as defined by 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any such candidate for Federal office must not be allocated between or among federal and non-federal accounts. Only federal funds may be used.

Further, expenditures and disbursements for public communications that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s). However, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please amend your report to properly disclose this activity or provide clarifying information.

If this activity was categorized incorrectly, the Commission recommends that you immediately transfer the funds received by your federal account for this activity back to the non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

8. Schedule A supporting Line 15 of the Detailed Summary Page discloses a refund(s) or rebate(s) of what appears to be a previously disclosed allocable expense(s) from "Blue Cross Blue Shield of Florida." Please be advised that when a committee receives a refund or rebate of an allocable expense, it must be allocated between the federal and non-federal accounts according to the same allocation ratio used to allocate the original disbursement. Furthermore, the federal account must transfer the non-federal portion to the non-federal account and disclose this transfer-out on Schedule H4. Your report does not appear to disclose a transfer-out of the non-federal portion of this refund(s) or rebate(s). Please provide clarification regarding this apparent omission.

9. On Schedule H4, your allocated activity or event year-to-date total calculations for the Administrative category are incorrect. Allocated activity or event year-to-date totals for administrative, voter drive, exempt activity costs and expenses for public communications made by PACs referencing only political parties are derived by aggregating all disbursements during the calendar year for each separate category.

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Allocated activity or event year-to-date totals for fundraising and direct candidate support activities are derived by aggregating all disbursements during the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous event year-to-date total for that category or event. This running event year-to-date total should be disclosed after each disbursement is listed. Please amend your report by providing the correct event year-to-date totals.

10. On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have failed to include the allocated activity or event year-to-date total amount for a payment(s) to "Bubriski, Mark," "Nationwide Interpreter Union Printing," "Tony The Pizza Chef," "Teresa Cariota," "The Westin Diplomat Hote," "Morgan, Anne," and "Rival Sports Bar." Please amend your report to include the missing event year-to-date total(s).

11. Schedule H4 of your report discloses lump sum payments to "Time + Plus Payroll Services" for payroll purposes; however, you have provided incomplete itemization of the individuals who received payment. Each person who provided services to the committee must be identified in a memo entry on Schedule H4 regardless of the amount. Please amend your report by providing the name, date, amount, and purpose for such payments as required by 11 CFR §§104.10 and 104.17.

12. Schedule H4 discloses reimbursements to individuals totaling \$4,800.75. However, the sum of the memo entries provided identifying the original vendors associated with these payments total \$9,398.29. Please amend your report to clarify this discrepancy.

13. Please clarify all expenditures made for "Fundraising Consultant," "Site Rental," "Catering," "Catering/Site Rental," "Equipment," "Equipment Rental," and "Event expense" on Schedule(s) B and H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E, or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Other federal operating expenditures should be properly disclosed on a separate Schedule B, supporting Line 21(b) of the Detailed Summary Page. Please refer to the instructions for each line when determining the proper categorization(s) for your next filing.

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**Please note, you will not receive an additional notice from the Commission on this matter.** Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1153.

Sincerely,

*Kristin DeCarmin*

Kristin DeCarmin  
Senior Campaign Finance Analyst  
Reports Analysis Division

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